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C O N F I D E N T I A L SECTION 01 OF 03 DJIBOUTI 000298

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STATE FOR AF, AF/E, E, EB, INR/B STATE PASS USAID PARIS FOR NEARY

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TAGS: PREL ECON EAID PHUM PGOV PINR DJ FR
SUBJECT: MINISTER OF PRESIDENTIAL AFFAIRS AND DJIBOUTI'S AGENDA

Classified By: Ambassador Marguerita D. Ragsdale. Reasons 1.5 (b) and (d).

- 11. (C) Summary: The close relationship of Minister of Presidential Affairs, Osman Ahmed Moussa, with President Ismail Omar Guelleh afforded Ambassador the opportunity to reaffirm her mandate in Djibouti as U.S. Ambassador and to solicit the Minister's views on ways to enhance the U.S.-Djibouti partnership. During a two-hour meeting which began as a courtesy call associated with the Ambassador's credentialling, the Minister raised attentiveness of donors, new partnerships in the Gulf, diversity of aid, overcoming trade problems and infrastructure weaknesses, humanitarian and health challenges, human rights and the military relationship as Djibouti's premier concerns. End summary.
- 12. (C) Minister of Presidential Affairs, Osman Ahmed Moussa-- who is close to Djibouti's President Ismail Omar Guelleh-- told Ambassador February 29 during a two-hour meeting at the Presidential Office, that Djibouti should not be seen merely as a conflict resolution partner for the U.S. in the Horn of Africa region but as a partner in economic development as well. The presence of USAID at the U.S. Mission, he said, is an encouraging sign.

Need for Aid Coordination

- 13. (C) Moussa said donors needed to be more attentive to the needs of Djibouti and to diversify assistance areas. Some sectors receive an abundance of aid while others lack resources totally, he lamented, and options for development are not being fully explored. For example, date palms could provide food and jobs in rural areas. Their growth would combine agriculture and pastoralism and would work well in the South which has the necessary ground water. Also, water resources in an area are closely linked to good health, but the development of water resources lacks funding. Moussa asked that the U.S. take the first steps in exploring these areas and in raising awareness of other donors. Donors should also look closely at aid delivery, noting, for example, that Djibouti bought mobile clinics to serve in its districts but poor roads made them ineffective.
- 14. (C) Ambassador responded that she was already exploring the concept of establishing an informal working group in Djibouti of donors, NGOs, UN organizations, and USAID which would meet regularly --perhaps monthly-- to review and coordinate development programs in-country. This might diminish duplication of development efforts and identify other areas where development aid might best benefit Djibouti. She said she had not yet broached the idea with donors and donor entities here but would do so soon.
- 15. (C) Moussa said he believed this a good idea. He noted that 22,000 Somali refugees at Ali-Adde were using a large portion of the resources of UN agencies. Djibouti's program of repatriation of refugees to Somaliland is aimed at freeing up these resources for Djibouti's use. He said the fact, though, that U.N. representatives are African makes easier their understanding of the challenges facing the Government of Djibouti despite the internal constraints and restrictions that prevent those agencies from fully supporting Djibouti.

Hope in a Free Zone

16. (C) Moussa suggested that development of a Free Zone in Djibouti would reduce the serious problem of unemployment. While investors have shown interest, there is little activity to date. Moussa expressed uncertainty as to why investment is not happening but suggested the problem might lie in Djibouti's failure to communicate adequately with investors. He asked for U.S. assistance and advice, which Ambassador pledged to provide.

Looking Gulfward

- 17. (C) Ambassador asked if Djibouti saw opportunities for development avenues in its relationships with the Gulf states and Yemen. Moussa cited Yemen and said Djibouti would like to partner with Yemen in the tourist trade, perhaps attracting a share of the more than one million tourists annually that Yemen receives. Djibouti could be an additional destination because of its close proximity. Good tourist sites exist in the Gulf of Tadjoura but measures would need to be taken, he cautioned, to ensure the environmental integrity of Djibouti's coral reefs. In addition, Moussa said, Djibouti is discussing with Yemen prospects for Djibouti's port becoming a regional distribution point for Yemeni oil.
- 18. (C) Ambassador asked about a present or potential role for Yemeni businessmen generally in the development of Djibouti's economy. Moussa opined that Yemeni businessmen, while active in Djibouti, do not participate in the local economy, preferring to remain simple retailers who take their money out. In the past, he said, Yemenis were some of the most important importers in Djibouti. (Note: Ambassador wants to explore this issue further with her interlocutors in Djibouti. End note.)
- 19. (C) Moussa said trade with the Gulf countries, and specifically the UAE (Dubai), is increasing since the medium of exchange between the two is the dollar. He remarked that Dubai is crowded as buyers come from all over Africa and the Middle East. Djibouti is hopeful, he indicated, that there will be businesses in Dubai wishing to re-locate to Djibouti's free zone in order to serve African customers and gain market proximity. (Comment: The Dubai Port Authority manages Djibouti's port and airport. End comment.)

Whither the French

110. On relations with France today, Moussa described them as affected by a French "attitude of neglect." "The fact that whole Mirage engines have been stolen from French bases shows the extent of neglect," he said. French cooperation at the Presidency level, Moussa continued, does not exist because the Government of Djibouti does not want the French involved at centers of decisionmaking. However, the French are present as technical advisers in various ministries. France's relationship with the Government of Djibouti has continually diminished to the point, he stated, "that they feel completely isolated and lost." Moussa said he believes France never had a vision of Djibouti as a commercial platform by which it could penetrate the African market. With France now, he said, trade is becoming more difficult because of the high value of the Euro.

U.S. Military and Assistance

111. (C) Moussa noted in passing that the U.S. military has assisted Djibouti in commercial ways. He said its provision of night vision capability had been especially useful in his country's efforts to stop the entry of contraband -- human or material -- across Djibouti's borders.

The Sticky Problem of Human Rights

- 112. (C) Moussa commented that the only problem Djibouti appeared to have with the U.S. is the negative yearly Human Rights report, which he said "does not reflect reality." Ambassador responded that Djibouti does have a poor record in this area and that there is room for improvement.
- 113. (C) Moussa counseled that the USG should be cautious and should watch out for "manipulation" and "misinformation" in the human rights field that could come from both the Government of Djibouti's staff and from the opposition. The U.S. should be especially vigilant, he said, as allegations fly in the period leading up to (presidential) elections.

Comment

114. (C) The precedent for this conversation was set during the Ambassador's presentation of credentials to President Guelleh. She will follow through on plans to establish a working group of donors and others to look at economic assistance here. She also has informally canvassed her Ambassadorial colleagues --on whom she has called- about their countries' aid programs/plans for Djibouti. Egypt's ambassador had earlier raised the possibility of date farming, including Egypt's potential to contribute, among other issues. A coordination on aid would prove useful on

several fronts, including as we begin to focus on other issues, such as corruption. Of course, individual constraints on donors and aid agencies will remain an important factor. End comment.

Bio-Data

115. (C) Osman Ahmed Moussa is in his early forties. His wife, Christiane, is a physician who is of Benin origin. They have no children. Moussa has two brothers and two sisters. One brother, Abubaker Ahmed Moussa, is the number two person in Djibouti's National Security Service. Moussa's late father was one of the first nurses in Djibouti. Moussa, affectionately called "Tatti," has a very pleasant nature. He speaks French, Arabic, and very limited English. He is from the Saad Mussa Issa clan and replaced in his current position former Cabinet Director, Ismail Guedi, from the same clan. End bio-data.

RAGSDALE